



A member of  MUFG
a global financial group

"Make Life Simple
เรื่องเงิน เรื่องง่าย"

Management Discussion and Analysis

For the quarter and year ended
December 31, 2018

Investor Relations Department,
Environmental, Social and Governance Division
Email: irgroup@krungsri.com
Tel: +66 2 296-2977
Fax: +66 2 683-1341

Executive Summary:

Despite multifaceted challenges confronting the banking sector, ranging from global financial volatility stemming from trade protectionist policies, global monetary policy tightening cycle, digital disruption and digital fee waivers, to new consumer finance regulations, Krungsri delivered a record net profit of Baht 24,813 million for 2018, an increase of Baht 1,604 million, or 6.9%, over 2017.

The solid earnings contributed to the Bank's agile ability to realign our loan portfolio toward high yield segments, thus resulting in steady growth and achievements in net interest income and non-interest income, contrasting to the industry's moderating trend in non-interest income resulting from digital fee waivers.

Following a strategic decision to realign our Financial Business Group through a collaborative partnership with Siam Asia Credit Access PTE LTD to sell 50% ordinary shares in Ngern Tid Lor Company Limited (NTL), expected to be complete within 1Q/19, this will not only bolster business growth and opportunities for NTL, but will also further strengthen the company's competitive capabilities to stay at the forefront of the title loan industry. Although the transaction is still subject to satisfactory completion of conditions precedent and regulatory filings, it results in a reclassification of NTL's total assets and liabilities as of December 2018 to items classified as held for sales.

Total loans outstanding reached Baht 1,672,018 million, a record increase of Baht 121,614 million, or 7.8% from December 2017. Loan growth was broad-based covering all customer segments, yet with stronger performance on 2018's strategic focus on loans with higher margins. For the year, high yield retail segments continued to be the key growth drivers with notable increases of Baht 67,369 million, or 9.3%, followed by SME and corporate segments which grew 13.5%, or Baht 29,872 million, and 4.1%, or Baht 24,373 million, respectively.

(Excluding the impact of NTL loan reclassification, total loans would have increased Baht 161,279 million, or 10.4%, in 2018. In particular, excluding the Baht 39,665 million loan reclassification, retail loans would have increased by Baht 104,281 million, or 14.3% for 2018.)

Deposits totaled Baht 1,426,348 million, an increase of Baht 107,119 million, or 8.1%, from December 2017, largely driven by time deposits with maturities greater than one year and savings deposits.

Compared to 2017, **non-interest income** increased by Baht 2,306 million or 7.2%, mainly driven by fees from auto hire purchase, bancassurance, card-related fees, bad debt recoveries, and gains on trading and foreign exchange transactions.

The non-performing loan (NPL) ratio stood at 2.08% in December 2018.

Loan-loss reserves stood at Baht 61,808 million, with an excess of Baht 19,741 million over the Bank of Thailand's reserve requirements. Correspondingly, the actual provisioning ratio when compared to the Bank of Thailand's requirements improved to 146.9%. The coverage ratio also improved to 160.8% from 148.4% at the end of December 2017.

(Excluding the impact from NTL reclassification, loan-loss reserves would have stood at Baht 64,482 million, with an excess of Baht 21,551 million over the Bank of Thailand's reserve requirements, while the actual provisioning ratio when compared to the Bank of Thailand's requirements would have stood at 150.2%, and the coverage ratio at 165.8%.)

Corresponding to the higher net profit, earnings per share (EPS) rose to Baht 3.37 in 2018, compared to Baht 3.16 in 2017.

In 2019, barring an escalation in trade protectionism and its potential impacts, the Thai economy is forecast to grow steadily and become more broad-based with GDP growth of 4.1%. With greater clarity on economic policy following an election, domestic expenditure will play a greater role in driving economic growth. Supporting factors include an upward private investment cycle, fast tracking public-private partnership investments, and acceleration of government large-scale infrastructure expenditures. With a favorable operating environment together with our competitive strength and agile execution, Krungsri targets a loan growth of 6-8% for the year.

NIM: 3.81%

Net Profit:
Baht 24.8 billion

Coverage Ratio: 160.8%

NPL Ratio: 2.08%

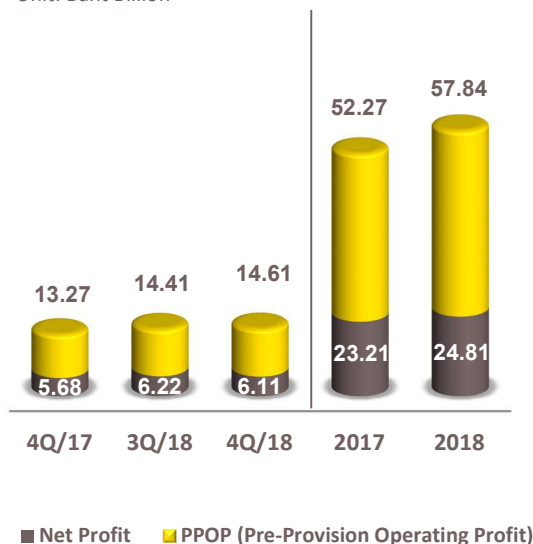
Summary of Financial Performance and Status:

Key 2018 deliverables:

- **Net Profit:**
Recorded at Baht 24,813 million, representing a 6.9% increase over 2017.
- **Loan Growth:**
*Increased by 7.8%, or Baht 121,614 million, compared to December 2017.
(Excluding the impact of NTL loan reclassification, total loans would have increased Baht 161,279 million, or 10.4%, in 2018. In particular, excluding the Baht 39,665 million loan reclassification, retail loans would have increased by Baht 104,281 million, or 14.3% for 2018.)*
- **Deposit Growth:**
Increased by 8.1%, or Baht 107,119 million, compared to December 2017, attributed to an increase in time and savings deposits.
- **Net Interest Margin (NIM):**
Improved to 3.81% compared to 3.74% in 2017.
- **Non-Interest Income:**
Increased by 7.2% or Baht 2,306 million from 2017, mainly driven by net fees and service income, gains on trading and foreign exchange transactions, and bad debt recoveries.
- **Cost to Income Ratio:**
Recorded at 47.2%, improving from 48.0% in 2017.
- **Non-Performing Loan (NPL) Ratio:**
Recorded at 2.08%, compared to 2.05% in December 2017.
- **Coverage Ratio:**
*Recorded at 160.8%, improving from 148.4% in December 2017.
(Excluding the impact from NTL reclassification, coverage ratio stood at 165.8%.)*
- **Capital Adequacy Ratio:**
Recorded at 15.13%, compared to 15.65% in December 2017.

PPOP & Net Profit

Unit: Baht Billion



For the year ended December 31, 2018

In 2018, the operating profit was Baht 57,838 million, representing an increase of Baht 5,568 million, or 10.7% from 2017, driven by higher net interest income, supported by robust loan portfolio expansion particularly in high yield segments, together with a solid performance in non-interest income.

The net profit increased to Baht 24,813 million in 2018, representing a 6.9%, or Baht 1,604 million, increase over 2017, largely attributed to robust operating profits.

For the fourth quarter ended December 31, 2018

In 4Q/18, the operating profit was Baht 14,608 million, an increase of Baht 203 million, or 1.4%, on a quarter-on-quarter basis, mainly due to an increase in net interest income and steady growth performance in net fees and service income, offset by an increase in operating expenses corresponding to seasonality spending to grow retail businesses during the period.

The net profit registered Baht 6,110 million, a decrease of Baht 105 million, or 1.7% from the prior quarter, driven by an increase in loan loss provision, resulting from a prudential safeguard in corresponding to a higher loan volume during the period.

On a year-on-year basis, the operating profit increased by Baht 1,337 million, or 10.1%, driven by both higher net interest income from loan growth and higher net fees and service income. Correspondingly, net profit increased by Baht 431 million, or 7.6%.

1. Statements of Profit or Loss and Other Comprehensive Income

Consolidated	4Q/18	3Q/18	4Q/17	Change QoQ		Change YoY	
				Baht mn	%	Baht mn	%
Interest Income	28,091	27,151	24,837	940	3.5	3,254	13.1
Interest Expenses	8,356	8,068	7,070	288	3.6	1,286	18.2
Interest Income, Net	19,735	19,083	17,767	652	3.4	1,968	11.1
Fees and Service Income	7,701	7,046	7,208	655	9.3	493	6.8
Fees and Service Expense	2,082	1,924	1,878	158	8.2	204	10.9
Fees and Service Income, Net	5,619	5,122	5,330	497	9.7	289	5.4
Non-interest and Non-fees Income	3,130	3,088	3,307	42	1.4	(177)	(5.4)
Other Operating Expenses	13,876	12,888	13,133	988	7.7	743	5.7
Pre-Provision Operating Profit (PPOP)	14,608	14,405	13,271	203	1.4	1,337	10.1
Impairment Loss of Loan and Debt Securities	6,790	6,303	6,110	487	7.7	680	11.1
Income Tax Expense	1,618	1,783	1,395	(165)	(9.3)	223	16.0
Net Profit	6,200	6,319	5,766	(119)	(1.9)	434	7.5
Other Comprehensive Income, Net	(259)	(162)	201	(97)	(59.9)	(460)	(228.9)
Total Comprehensive Income	5,941	6,157	5,967	(216)	(3.5)	(26)	(0.4)
Net Profit Attributable To							
Owners of the Bank	6,110	6,215	5,679	(105)	(1.7)	431	7.6
Non-Controlling Interest	90	104	87	(14)	(13.5)	3	3.4
Net Profit	6,200	6,319	5,766	(119)	(1.9)	434	7.5
Total Comprehensive Income Attributable To							
Owners of the Bank	5,851	6,053	5,881	(202)	(3.3)	(30)	(0.5)
Non-Controlling Interest	90	104	86	(14)	(13.5)	4	4.7
Total Comprehensive Income	5,941	6,157	5,967	(216)	(3.5)	(26)	(0.4)
Earning Per Share (Baht)	0.83	0.84	0.77	(0.01)	(1.2)	0.06	7.8

Consolidated	2018	2017	Change YoY	
			Baht mn	%
Interest Income	107,132	94,998	12,134	12.8
Interest Expense	31,804	26,463	5,341	20.2
Interest Income, Net	75,328	68,535	6,793	9.9
Fees and Service Income	28,999	26,341	2,658	10.1
Fees and Service Expense	7,751	6,666	1,085	16.3
Fees and Service Income, Net	21,248	19,675	1,573	8.0
Non-interest and Non-fees Income	13,003	12,270	733	6.0
Other Operating Expenses	51,741	48,210	3,531	7.3
Pre-Provision Operating Profit (PPOP)	57,838	52,270	5,568	10.7
Impairment Loss of Loan and Debt Securities	26,180	22,970	3,210	14.0
Income Tax Expense	6,467	5,739	728	12.7
Net Profit	25,191	23,561	1,630	6.9
Other Comprehensive Income, Net	(1,030)	8	(1,038)	(12,975.0)
Total Comprehensive Income	24,161	23,569	592	2.5
Net Profit Attributable To				
Owners of the Bank	24,813	23,209	1,604	6.9
Non-Controlling Interest	378	352	26	7.4
Net Profit	25,191	23,561	1,630	6.9
Total Comprehensive Income Attributable To				
Owners of the Bank	23,783	23,220	563	2.4
Non-Controlling Interest	378	349	29	8.3
Total Comprehensive Income	24,161	23,569	592	2.5
Earning Per Share (Baht)	3.37	3.16	0.21	6.6

2. Financial Performance

2.1 Net Interest Income

Consolidated	4Q/18	3Q/18	4Q/17	Change QoQ		Change YoY	
				Baht mn	%	Baht mn	%
INTEREST INCOME							
Interest on loans	18,380	17,656	15,615	724	4.1	2,765	17.7
Interest on interbank and money market items	1,479	1,422	1,299	57	4.0	180	13.9
Hire purchase and financial lease income	7,668	7,567	7,509	101	1.3	159	2.1
Investments and trading transactions	6	4	9	2	50.0	(3)	(33.3)
Investments in debt securities	558	502	405	56	11.2	153	37.8
Total Interest Income	28,091	27,151	24,837	940	3.5	3,254	13.1
INTEREST EXPENSE							
Interest on deposits	4,043	3,806	3,459	237	6.2	584	16.9
Interest on interbank and money market items	1,472	1,419	1,074	53	3.7	398	37.1
Interest on borrowings	1,126	1,149	985	(23)	(2.0)	141	14.3
Contribution to Financial Institution Development							
Fund and Deposit Protection Agency	1,706	1,683	1,549	23	1.4	157	10.1
Borrowing fee expenses	5	7	(1)	(2)	(28.6)	6	600.0
Other interest expenses	4	4	4	0	0.0	0	0.0
Total Interest Expenses	8,356	8,068	7,070	288	3.6	1,286	18.2
Interest Income, Net	19,735	19,083	17,767	652	3.4	1,968	11.1
Net Interest Margin	3.95%	3.87%	3.81%				
Yield on Earning Assets	5.63%	5.51%	5.33%				
Cost of Funds	1.86%	1.82%	1.68%				

Consolidated	2018	2017	Change YoY	
			Baht mn	%
INTEREST INCOME				
Interest on loans	69,337	61,095	8,242	13.5
Interest on interbank and money market items	6,213	3,425	2,788	81.4
Hire purchase and financial lease income	29,727	28,209	1,518	5.4
Investments and trading transactions	28	81	(53)	(65.4)
Investments in debt securities	1,827	2,188	(361)	(16.5)
Total Interest Income	107,132	94,998	12,134	12.8
INTEREST EXPENSE				
Interest on deposits	15,079	12,628	2,451	19.4
Interest on interbank and money market items	5,535	3,959	1,576	39.8
Interest on borrowings	4,423	4,079	344	8.4
Contributions to Financial Institution Development				
Fund and Deposit Protection Agency	6,720	5,751	969	16.8
Borrowing fee expenses	30	28	2	7.1
Other interest expenses	17	18	(1)	(5.6)
Total Interest Expenses	31,804	26,463	5,341	20.2
Interest Income, Net	75,328	68,535	6,793	9.9
Net Interest Margin	3.81%	3.74%		
Yield on Earning Assets	5.42%	5.19%		
Cost of Funds	1.78%	1.60%		

For the year ended December 31, 2018

For 2018, interest income was recorded at Baht 107,132 million, representing an increase of Baht 12,134 million, or 12.8%, compared to 2017. Key items are as follows:

- Interest on loans increased by Baht 8,242 million, or 13.5%, reflecting robust loan portfolio expansion, particularly the high yield segments.
- Interest on interbank and money market items increased by Baht 2,788 million, or 81.4%, mainly due to higher repurchase agreement transactions.
- Interest on auto hire purchase and financial lease income increased by Baht 1,518 million, or 5.4%, mainly due to the steady growth in auto hire purchase loan portfolio.
- Meanwhile, interest on debt securities decreased by Baht 361 million, or 16.5%, due to Available for Sale (AFS) portfolio performance.

Interest expenses increased by Baht 5,341 million, or 20.2% from 2017. Key items are as follows:

- Interest on deposits increased by Baht 2,451 million, or 19.4%, reflecting an 8.1% increase in the outstanding deposit balance, particularly time deposits with maturities greater than one year.
- Interest on interbank and money market items increased by Baht 1,576 million, or 39.8%, mainly from an increase in interest paid to financial institutions.
- Contributions to the Financial Institutions Development Fund (FIDF) and Deposit Protection Agency (DPA) increased by Baht 969 million, or 16.8%, corresponding to a higher deposit volume.

Consequently, net interest income was recorded at Baht 75,328 million, representing an increase of Baht 6,793 million, or 9.9%, from 2017.

For the fourth quarter ended December 31, 2018

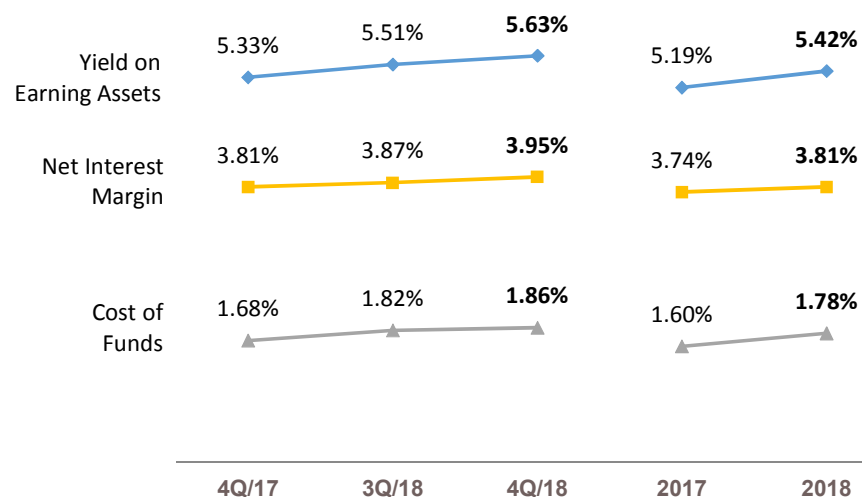
Interest income in 4Q/18 was recorded at Baht 28,091 million, representing an increase of Baht 940 million, or 3.5% on a quarter-on-quarter basis, driven mainly by an increase in interest on loans and hire purchase and financial lease income. Meanwhile, interest expense increased by Baht 288 million, or 3.6%, mainly from an increase in interest on deposits corresponding larger deposit volumes. Consequently, net interest income increased by Baht 652 million, or 3.4% from 3Q/18.

On a year-on-year basis, interest income increased by Baht 3,254 million, or 13.1%, largely attributed to higher interest income from loans. Meanwhile, interest expenses increased by Baht 1,286 million, or 18.2%, driven by an increase in interest on deposits and interest on interbank and money market items. Consequently, net interest income increased by Baht 1,968 million, or 11.1%.

In 2018, cost of funds increased to 1.78% from 1.60% in 2017, driven by an increase in deposit volumes with a higher portion of time deposits. Reflecting Krungsri Group's strategic shift to growing high yield segments, overall yield on earning assets improved significantly to 5.42% from 5.19% in 2017. Consequently, NIM was recorded at 3.81% in 2018, improved from 3.74% in 2017, outperforming the Bank's full year guidance of 3.50-3.70%.

In 4Q/18, NIM increased to 3.95% from 3.87% in the prior quarter, mainly resulting from the higher yield on earning assets which was recorded at 5.63%, compared to 5.51% in 3Q/18. Meanwhile cost of funds slightly increased to 1.86% from 1.82% in 3Q/18, reflecting an increase of interest expenses due to the higher time deposit outstanding balance with maturities greater than one year.

Net Interest Margin (NIM)



	4Q/17	3Q/18	4Q/18	2017	2018
Yield on Loans	6.07%	6.10%	6.17%	5.95%	6.07%
Cost of Deposits	1.57%	1.57%	1.62%	1.48%	1.56%

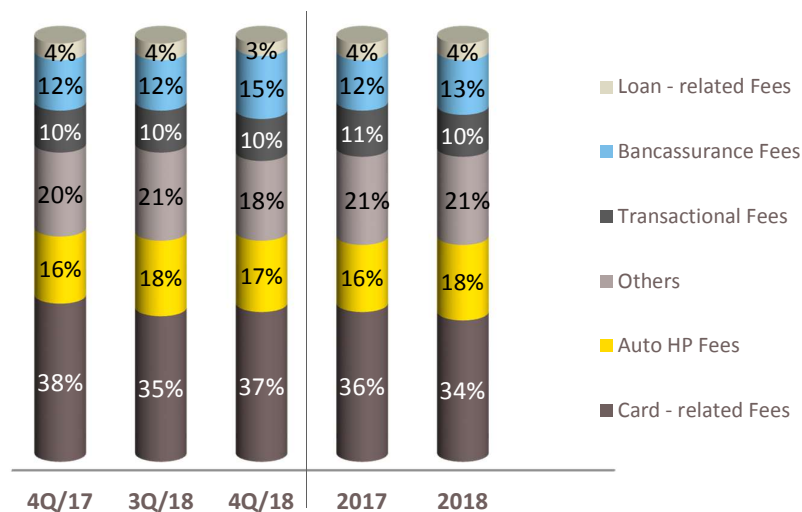
	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18
Policy Rate	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.75%
Krungsri Lending Rate	6.60%	6.60%	6.60%	6.60%	6.60%	6.60%	6.60%	6.60%	6.60%
Savings Rate	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%
3 - month deposits	0.80-1.00%	0.80-1.00%	0.80-1.00%	0.80-1.00%	0.80-1.00%	0.80-1.00%	0.80-1.00%	0.80-1.00%	0.80-1.00%
6 - month deposits	0.90-1.20%	0.90-1.20%	0.90-1.20%	0.90-1.20%	0.90-1.20%	0.90-1.20%	0.90-1.20%	0.90-1.20%	0.90-1.20%
12 - month deposits	1.10-1.35%	1.10-1.35%	1.10-1.35%	1.10-1.35%	1.10-1.35%	1.10-1.35%	1.10-1.35%	1.10-1.35%	1.10-1.35%

2.2 Non-Interest Income

Consolidated	4Q/18	3Q/18	4Q/17	Change QoQ		Change YoY	
				Baht mn	%	Baht mn	%
Acceptances, aval and guarantees	136	133	133	3	2.3	3	2.3
Other fees and service income	7,565	6,913	7,075	652	9.4	490	6.9
Fees and service income	7,701	7,046	7,208	655	9.3	493	6.8
Fees and service expense	2,082	1,924	1,878	158	8.2	204	10.9
Fees and Service Income, net	5,619	5,122	5,330	497	9.7	289	5.4
Gains (losses) on trading and foreign exchange transactions	1,226	1,067	1,406	159	14.9	(180)	(12.8)
Gains (losses) on investments	(4)	44	71	(48)	(109.1)	(75)	(105.6)
Share of profit (loss) from investment for using equity method	76	97	42	(21)	(21.6)	34	81.0
Bad debt recoveries	1,550	1,549	1,329	1	0.1	221	16.6
Other operating income	282	331	459	(49)	(14.8)	(177)	(38.6)
Total Non-interest and Non-fees Income	3,130	3,088	3,307	42	1.4	(177)	(5.4)
Non-Interest Income	8,749	8,210	8,637	539	6.6	112	1.3

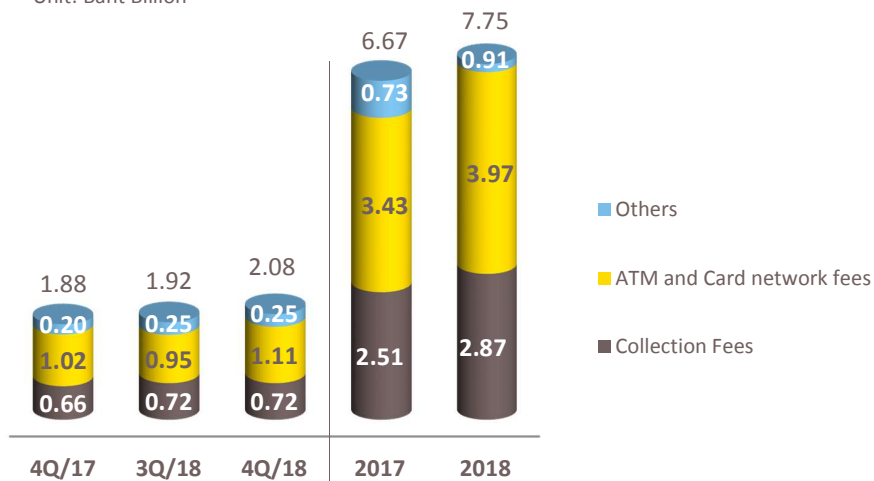
Consolidated	2018	2017	Change YoY	
			Baht mn	%
Acceptances, aval and guarantees	525	537	(12)	(2.2)
Other fees and service income	28,474	25,804	2,670	10.3
Fees and service income	28,999	26,341	2,658	10.1
Fees and service expense	7,751	6,666	1,085	16.3
Fees and Service Income, net	21,248	19,675	1,573	8.0
Gains (losses) on trading and foreign exchange transactions	4,737	4,233	504	11.9
Gains (losses) on investments	374	896	(522)	(58.3)
Share of profit (loss) from investment for using equity method	391	302	89	29.5
Bad debt recoveries	5,994	5,161	833	16.1
Other operating income	1,507	1,678	(171)	(10.2)
Total Non-Interest and Non-fees Income	13,003	12,270	733	6.0
Non-Interest Income	34,251	31,945	2,306	7.2

Fees & Service Income Breakdown



Fees & Service Expense

Unit: Baht Billion



For the year ended December 31, 2018

For 2018, non-interest income was Baht 34,251 million, increasing by Baht 2,306 million, or 7.2% year-on-year. Details are as follows:

- Net fees and service income recorded at Baht 21,248 million, an increase of Baht 1,573 million, or 8.0%. Key factors are:
 - Fees and service income increased by 10.1%, or Baht 2,658 million, driven by:

- Auto hire purchase fees increased by Baht 954 million, or 22.3%, corresponding to the robust auto hire purchase loan portfolio expansion, notwithstanding the impact from a new regulation governing auto hire purchase fees.
- Bancassurance fees increased by Baht 741 million, or 24.2%.
- Card-related fees increased by Baht 535 million, or 5.7%.
- Wealth & fund management and securities-related fees increased by Baht 511 million, or 12.3%.
- Fees and service expenses increased by 16.3%, or Baht 1,085 million, mainly from ATM and card network fees.
- Bad debt recoveries increased by Baht 833 million, or 16.1%.
- Gains on trading and foreign exchange transactions increased by Baht 504 million, or 11.9%, mainly due to an increase in interest rate derivative transactions.
- Gains on investments decreased by Baht 522 million, or 58.3%, mainly due to the Available for sales (AFS) portfolio performance.

For the fourth quarter period ended December 31, 2018

Total non-interest income in 4Q/18 was Baht 8,749 million, increasing by Baht 539 million, or 6.6% from the prior quarter. Details are as follows:

- Net fees and service income was recorded at Baht 5,619 million, increasing by Baht 497 million, or 9.7%. Key factors are:
 - Fees and service income increased by Baht 655 million, or 9.3% driven by:
 - Card-related fees increased by Baht 365 million, or 15.0%.
 - Bancassurance fees increased by Baht 318 million, or 37.1%.
 - Auto hire purchase fees increased by Baht 47 million, or 3.6%.
 - Fees and service expenses increased by 8.2%, or Baht 158 million, mainly from ATM and card network fees.
- Gains on trading and foreign exchange transactions increased by Baht 159 million, or 14.9%.
- Gains on investments decreased by Baht 48 million.
- Other operating income decreased by Baht 49 million, or 14.8%, mainly from a decrease in dividend income of Baht 46 million.

On a year-on-year basis, total non-interest income amounted to Baht 8,749 million, increasing by Baht 112 million, or 1.3% from the same quarter last year. Details are as follows:

- Net fees and service income increased by Baht 289 million, or 5.4%, from 4Q/17. Key factors are:

- Fees and service income increased by 6.8%, or Baht 493 million, driven by:
 - Bancassurance fees increased by Baht 328 million, or 38.7%.
 - Notwithstanding the impact from a regulation, auto hire purchase fees increased by Baht 151 million, or 12.8%.
 - Card-related fees increased by Baht 77 million, or 2.8%.
- Fees and service expenses increased by 10.9%, or Baht 204 million, mainly from ATM and card network fees.
- Bad debt recoveries increased by Baht 221 million, or 16.6%.
- Gains on trading and foreign exchange transactions decreased by Baht 180 million, or 12.8%, mainly due to a decrease in income from FX and derivatives, and interest rate derivatives transactions.
- Gains on Investments decreased by 105.6%, or Baht 75 million, mainly from the AFS portfolio performance.

2.3 Other Operating Expenses

Consolidated	4Q/18	3Q/18	4Q/17	Change QoQ		Change YoY	
				Baht mn	%	Baht mn	%
Employee expenses	6,680	6,611	6,373	69	1.0	307	4.8
Premises and equipment expenses	2,184	2,037	2,138	147	7.2	46	2.2
Taxes and duties	729	694	658	35	5.0	71	10.8
Directors' remuneration	16	14	16	2	14.3	0	0.0
Other expenses	4,267	3,532	3,948	735	20.8	319	8.1
Total Other Operating Expenses	13,876	12,888	13,133	988	7.7	743	5.7

Consolidated	2018	2017	Change YoY	
			Baht mn	%
Employee expenses	26,287	24,438	1,849	7.6
Premises and equipment expenses	8,420	8,248	172	2.1
Taxes and duties	2,789	2,605	184	7.1
Directors' remuneration	59	58	1	1.7
Other expenses	14,186	12,861	1,325	10.3
Total Other Operating Expenses	51,741	48,210	3,531	7.3

For the year ended December 31, 2018

Total other operating expenses were Baht 51,741 million, increased by Baht 3,531 million, or 7.3% from 2017. Key items are as follows:

- Employee expenses increased by Baht 1,849 million, or 7.6%, mainly due to annual merit increases, staff promotions, and incentives as well as the number of employees of Krungsri Group which increased by 6.8% from the end of 2017.
- Other expenses increased by Baht 1,325 million, or 10.3%, driven by an increase in marketing promotion expenses, corresponding to spending to grow higher yield retail businesses and an increase in impairment on NPAs.

For the fourth quarter ended December 31, 2018

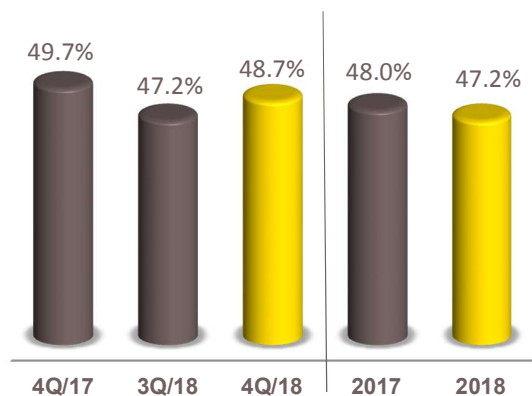
Total other operating expenses in 4Q/18 were Baht 13,876 million, increased by Baht 988 million, or 7.7% from the prior quarter. Key items are as follows:

- Other expenses increased by Baht 735 million, or 20.8%, driven by an increase in marketing promotion expenses corresponding to seasonality spending to grow higher yield retail businesses during the period and impairment on NPAs.
- Premises and equipment expenses increased by Baht 147 million, or 7.2%, mainly due to an increase in depreciation.

On a year-on-year basis, total other operating expenses increased by Baht 743 million, or 5.7% from the same quarter last year. Key items are as follows:

- Other expenses increased by Baht 319 million, or 8.1%, driven by an increase in marketing promotion expenses.
- Employee expenses increased by Baht 307 million, or 4.8%, mainly due to annual merit increases, incentives and increased number of employees.

Cost to Income Ratio



The cost to income ratio was recorded at 48.7% in 4Q/18, compared to 47.2% in 3Q/18, mainly from an increase in other expenses relating to business activities and seasonal volumes in 4Q/18.

In 2018, the cost to income ratio was recorded at 47.2%, improving from 48.0% in 2017, as a result of our continued efforts to enhance operating efficiency together with our effective expense management.

2.4 Impairment loss of loans and debt securities

Consolidated	4Q/18	3Q/18	4Q/17	Change QoQ		Change YoY	
				Baht mn	%	Baht mn	%
Impairment loss on debt instrument (reversal)	0	0	(50)	0	na.	50	100.0
Bad Debt and Doubtful Accounts	6,416	5,709	5,786	707	12.4	630	10.9
Loss on Debt Restructuring	374	594	374	(220)	(37.0)	0	0.0
Total impairment loss of loan and debt securities	6,790	6,303	6,110	487	7.7	680	11.1

Consolidated	2018	2017	Change YoY	
			Baht mn	%
Impairment loss on debt instrument (reversal)	0	(50)	50	100.0
Bad Debt and Doubtful Accounts	24,464	21,508	2,956	13.7
Loss on Debt Restructuring	1,716	1,512	204	13.5
Total impairment loss of loan and debt securities	26,180	22,970	3,210	14.0

The loan-loss provision in 4Q/18 amounted to Baht 6,790 million, an increase of Baht 487 million, or 7.7%, from 3Q/18, corresponding to a higher loan volume during the quarter.

As of December 31, 2018, the loan-loss provision was recorded at Baht 26,180 million, representing an increase of Baht 3,210 million, or 14.0%, on a year-on-year basis, corresponding to a higher loan volume and our prudential provision as a consequence of the robust loan growth for the period.

3. Financial Status

3.1 Statement of Financial Position

Consolidated	As at Dec. 31, 18	As at Sep. 30, 18	As at Dec. 31, 17	Change from Sep. 30, 18		Change from Dec. 31, 17	
				Baht mn	%	Baht mn	%
ASSETS							
Cash	34,680	30,138	38,244	4,542	15.1	(3,564)	(9.3)
Interbank and money market items, net	245,553	238,955	330,797	6,598	2.8	(85,244)	(25.8)
Investments, net	134,749	115,472	83,934	19,277	16.7	50,815	60.5
Investments in subsidiaries and joint ventures, net	2,620	2,538	2,222	82	3.2	398	17.9
Loans to customers	1,749,254	1,745,474	1,619,358	3,780	0.2	129,896	8.0
Accrued interest receivable	4,326	4,509	3,917	(183)	(4.1)	409	10.4
Deferred revenue	(77,236)	(78,595)	(68,954)	1,359	1.7	(8,282)	(12.0)
Allowance for doubtful accounts	(59,791)	(61,111)	(54,173)	1,320	2.2	(5,618)	(10.4)
Revaluation allowance for debt restructuring	(1,569)	(1,565)	(1,303)	(4)	(0.3)	(266)	(20.4)
Properties for sale, net	3,478	3,687	3,685	(209)	(5.7)	(207)	(5.6)
Assets classified as held for sale	39,536	0	0	39,536	na.	39,536	na.
Others	98,022	93,782	131,045	4,240	4.5	(33,023)	(25.2)
TOTAL ASSETS	2,173,622	2,093,284	2,088,772	80,338	3.8	84,850	4.1
LIABILITIES AND SHAREHOLDERS' EQUITY							
Deposits	1,426,348	1,376,585	1,319,229	49,763	3.6	107,119	8.1
Interbank and money market items, net	244,097	209,197	279,721	34,900	16.7	(35,624)	(12.7)
Debt issued and borrowings	155,650	185,083	142,866	(29,433)	(15.9)	12,784	8.9
Liabilities directly associated with assets classified as held for sale	13,784	0	0	13,784	na.	13,784	na.
Others	90,025	84,642	120,969	5,383	6.4	(30,944)	(25.6)
TOTAL LIABILITIES	1,929,904	1,855,507	1,862,785	74,397	4.0	67,119	3.6
Issued and paid-up share capital	73,558	73,558	73,558	0	0.0	0	0.0
Retained earning	114,050	107,818	95,198	6,232	5.8	18,852	19.8
Others	56,110	56,401	57,231	(291)	(0.5)	(1,121)	(2.0)
TOTAL SHAREHOLDERS' EQUITY	243,718	237,777	225,987	5,941	2.5	17,731	7.8
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,173,622	2,093,284	2,088,772	80,338	3.8	84,850	4.1
Book value per share (Baht)	33.13	32.33	30.72	0.80	2.5	2.41	7.8

As of December 31, 2018, total assets stood at Baht 2,173,622 million, representing an increase of Baht 84,850 million, or 4.1%, from December 2017. Key items are as follows:

- Total loans (net of deferred revenue) increased by Baht 121,614 million, or 7.8%.

(Excluding the impact of NTL loan reclassification, total loans would have increased Baht 161,279 million, or 10.4%, in 2018.)

- Net investments increased by Baht 50,815 million, or 60.5%, mainly resulting from a higher AFS portfolio balance.
- Assets classified as held for sale increased by Baht 39,536 million, mainly attributed to reclassification of NTL loans.
- Net interbank and money market items decreased by Baht 85,244 million, or 25.8%, caused by a decrease in repurchase agreements of Baht 116,050 million, offset by an increase in loans and deposits with financial institutions of Baht 7,021 million, and Baht 23,785 million, respectively.
- Other assets decreased by Baht 33,023 million, or 25.2%, mainly owing to a decrease in claim on securities.

Compared to 3Q/18, total assets increased by Baht 80,338 million, or 3.8%. Key items are as follows:

- Total loans (net of deferred revenue) increased by Baht 5,139 million, or 0.3%.

(Excluding the impact of NTL loan reclassification, total loans would have increased by Baht 44,804 million, or 2.7%.)

- Assets classified as held for sale increased by Baht 39,536 million, mainly attributed to NTL loan reclassification.
- Net investments increased by Baht 19,277 million, or 16.7%, mainly resulting from a higher AFS portfolio balance.
- Net interbank and money market items increased by Baht 6,598 million, or 2.8%, mainly resulting from an increase in deposits with financial institutions of Baht 11,982 million, offset by a decrease in loans with financial institutions of Baht 10,088 million.

As of December 31, 2018, total liabilities stood at Baht 1,929,904 million, representing an increase of Baht 67,119 million, or 3.6%, from December 2017. Key items are as follows:

- Deposits increased by Baht 107,119 million, or 8.1%, largely driven by time deposits with maturities greater than one year.
- Debt issued and borrowings increased by Baht 12,784 million, or 8.9%, driven by net issuance of Krungsri Group's debentures of Baht 24,540 million, offset by Baht 12,225 million corresponding to NTL liabilities reclassification.
- Liabilities directly associated with assets classified as held for sales increased by Baht 13,784 million, mainly due to the reclassification of debt issued and borrowings of NTL.

- Net interbank and money market items decreased by Baht 35,624 million, or 12.7%, mainly due to a decrease in loans from financial institutions of Baht 16,458 million and a decrease in repurchase agreements of Baht 20,788 million.
- Other liabilities decreased by Baht 30,944 million, or 25.6%, driven by a decrease in liabilities to deliver securities of Baht 34,395 million.

Compared to 3Q/18, total liabilities increased by Baht 74,397 million, or 4.0%. Key items are as follows:

- Deposits increased by Baht 49,763 million, or 3.6%, mainly resulting from an increase in both time and savings deposits.
- Net interbank and money market items increased by Baht 34,900 million, or 16.7%, mainly due to an increase in loans from financial institutions of Baht 36,277 million.
- Liabilities directly associated with assets classified as held for sales increased by Baht 13,784 million, mainly due to the reclassification from NTL debt issued and borrowings to this item.
- Debt issued and borrowings decreased by Baht 29,433 million, or 15.9%, mainly resulted from the maturity of Krungsri Group's debentures of Baht 17,500 million and NTL liabilities reclassification of Baht 12,225 million.

Total shareholders' equity rose to Baht 243,718 million, an increase of Baht 17,731 million, or 7.8%, from December 2017 due to an increase in equity holders' net profit of Baht 24,813 million for 2018, which was partially offset by dividends paid of Baht 6,252 million.

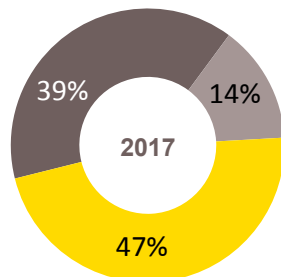
Book value per share as of December 31, 2018 increased to Baht 33.13, compared to Baht 30.72 at the end of 2017.

3.2 Loans to customers

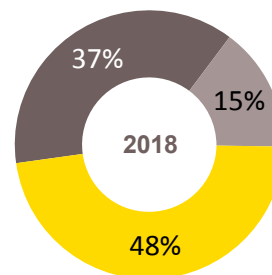
3.2.1 Loans by segment

Consolidated	Dec. 31, 18	Sep. 30, 18	Dec. 31, 17	Change from Sep. 30, 18		Change from Dec. 31, 17	
				Baht mn	%	Baht mn	%
Corporate	626,170	625,432	601,797	738	0.1	24,373	4.1
- Thai Corporate	422,911	429,857	431,136	(6,946)	(1.6)	(8,225)	(1.9)
- International Corporate (JPC/MNC)	203,259	195,575	170,661	7,684	3.9	32,598	19.1
SMEs	250,499	243,169	220,627	7,330	3.0	29,872	13.5
Retail	795,349	798,278	727,980	(2,929)	(0.4)	67,369	9.3
- Hire purchase	367,199	371,665	336,627	(4,466)	(1.2)	30,572	9.1
- Mortgage	250,484	241,283	217,098	9,201	3.8	33,386	15.4
- Credit cards and personal loans	177,666	185,330	174,255	(7,664)	(4.1)	3,411	2.0
Total *	1,672,018	1,666,879	1,550,404	5,139	0.3	121,614	7.8

* Loans to customers net of deferred revenue



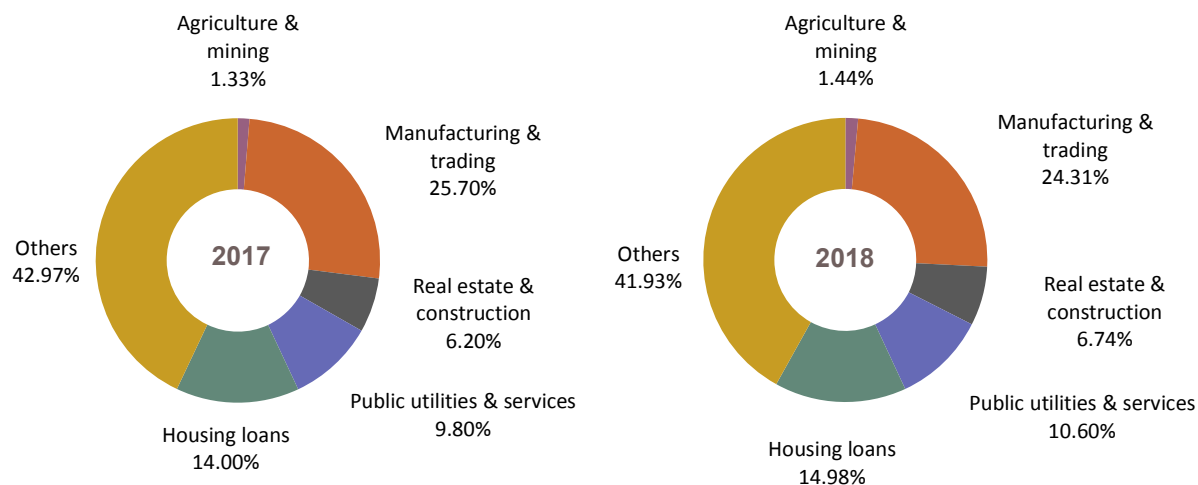
■ Corporate
■ SME
■ Retail



Auto HP 22%
Mortgage 14%
Credit card and
Personal Loans 11%

Auto HP 22%
Mortgage 15%
Credit card and
Personal Loans 11%

3.2.2 Loans by Industry



As of December 31, 2018, total outstanding loans (net of deferred revenue) stood at Baht 1,672,018 million, an increase of Baht 121,614 million, or 7.8% from December 2017, which grew across segments.

(Excluding the impact of NTL loan reclassification, total loans would have increased Baht 161,279 million, or 10.4%, in 2018.)

On a quarter-on-quarter basis, loans increased by Baht 5,139 million, or 0.3% from 3Q/18, driven mainly by SME segments.

(Excluding the impact of NTL loan reclassification, total loans would have increased by Baht 44,804 million, or 2.7% for the quarter.)

As of the end of December 2018, commercial loans, comprising corporate and SME customers, accounted for 52% of the total loan portfolio, while retail lending represented the remaining 48%.

Details of loan performance by segment are as follows:

Corporate loans grew by 4.1%, or Baht 24,373 million from December 2017, of which Thai Corporate loans contracted due to repayments of Baht 8,225 million, or 1.9%, while International Corporate (JPC/MNC) loans robustly increased by 19.1%, or Baht 32,598 million, mirroring an uptrend in global economic strength, and our abilities to further leverage MUFG's global capabilities.

On a quarter-on-quarter basis, corporate loans increased by 0.1%, or Baht 738 million in 4Q/18, resulting from a decrease in Thai Corporate loans of Baht 6,946 million, or 1.6%, mainly due to loan repayments; while International Corporate (JPC/MNC) loans continued to increase by 3.9%, or Baht 7,684 million in 4Q/18.

Mirroring improvements in both domestic investments and consumption, **SME loans** grew by 13.5%, or Baht 29,872 million from December 2017, and increased by 3.0%, or Baht 7,330 million, in 4Q/18. The growth of SME loans for 2018 was broad-based, covering both SME-M and SME-S segments, underpinning Thailand's sustained economic recovery and Krungsri's supply chain business solutions.

(Excluding the Baht 2,753 million NTL loan reclassification impact, SME loans would have increased by Baht 32,625 million, or 14.8% for 2018, and increased by Baht 10,083 million, or 4.1% for 4Q/18.)

The **retail loan segment** registered a growth of Baht 67,369 million, or 9.3% from December 2017.

(Excluding the Baht 36,912 million NTL loan reclassification impact, retail loans would have increased by Baht 104,281 million, or 14.3% for 2018.)

On a quarter-on-quarter basis, the retail loan segment contracted Baht 2,929 million, or 0.4% in 4Q/18.

(Excluding the Baht 36,912 million NTL loan reclassification impact, retail loans would have increased by Baht 33,983 million, or 4.3% for the quarter.)

- **Auto hire purchase loans** grew by 9.1%, or Baht 30,572 million from December 2017, reflecting robust domestic car sales and our ability to leverage digital platform to deliver customer experience excellence which resulted in customers acquisition.

(Excluding the Baht 11,732 million NTL loan reclassification impact, auto hire purchase loans would have increased by Baht 42,304 million, or 12.6% for 2018.)

On a quarter-on-quarter basis, auto hire purchase decreased by 1.2%, or Baht 4,466 million in 4Q/18.

(Excluding the Baht 11,732 million NTL loan reclassification impact, auto hire purchase loans would have increased by Baht 7,266 million, or 2.0% for the quarter.)

- **Mortgage loans** grew by 15.4%, or Baht 33,386 million from December 2017, and increased by 3.8%, or Baht 9,201 million, in 4Q/18. The growth of mortgage loans was supported by Krungsri's strategic focus on digital solutions to improve customer experiences.
- **Credit cards and personal loans** grew by 2.0%, or Baht 3,411 million from December 2017, underpinning an improvement in private consumption as well as benefits obtained from digital infrastructure investment which resulted in improved customer acquisitions.

(Excluding the Baht 25,180 million NTL loan reclassification impact, credit cards and personal loans would have increased by Baht 28,591 million, or 16.4% for the year.)

On a quarter-on-quarter basis, credit cards and personal loans contracted by Baht 7,664 million, or 4.1%, mainly due to NTL loan reclassification.

(Excluding the Baht 25,180 million NTL loan reclassification impact, credit cards and personal loans would have grown robustly by Baht 17,516 million, or 9.5%, underpinning improved domestic confidence, a seasonal year-end spending pattern, and Krungsri year-end promotional activities.)

3.2.3 Loan classification and provision

Unit : Baht mn

Consolidated	Dec. 31, 18		Dec. 31, 17		Change	
	Loans and Accrued Interest Receivable	Provision	Loans and Accrued Interest Receivable	Provision	Loans and Accrued Interest Receivable	Provision
Normal	1,583,364	12,418	1,462,823	11,863	120,541	555
Special mention	54,533	6,375	53,876	2,998	657	3,377
Substandard	10,066	5,148	11,279	5,938	(1,213)	(790)
Doubtful	5,500	2,787	7,021	3,902	(1,521)	(1,115)
Doubtful of loss	22,881	13,322	19,322	11,020	3,559	2,302
Total	1,676,344	40,050	1,554,321	35,721	122,023	4,329
Surplus Reserve *		19,741		18,452		1,289
Total	1,676,344	59,791	1,554,321	54,173	122,023	5,618

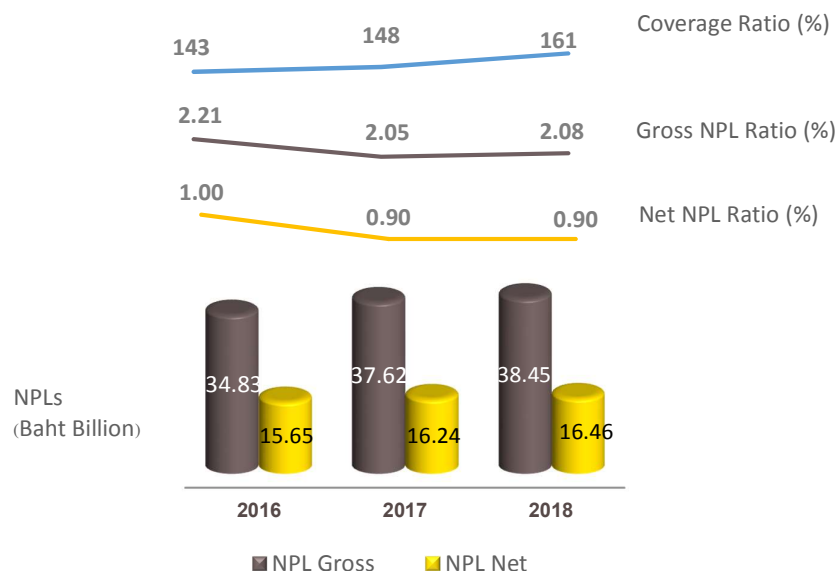
* (Excluding the impact from NTL reclassification, surplus reserve over the Bank of Thailand's requirement would have been Baht 21,551 million.)

3.2.4 Non-performing loans

Consolidated	Dec. 31, 18	Sep. 30, 18	Dec. 31, 17	Change from Sep. 30, 18		Change from Dec. 31, 17	
				Baht mn	%	Baht mn	%
Non-Performing Loans (Net)	16,455	17,231	16,243	(776)	(4.5)	212	1.3
Non-Performing Loans (Gross)	38,446	38,927	37,622	(481)	(1.2)	824	2.2
Loans Loss Reserves (LLR)	61,808	63,091	55,841	(1,283)	(2.0)	5,967	10.7
Coverage Ratio *	160.8%	162.1%	148.4%	(1.3%)	(0.8)	12.4%	8.4
BOT Requirement	42,066	39,807	37,389	2,259	5.7	4,677	12.5
Actual / Required LLR *	146.9%	158.5%	149.4%	(11.6%)	(7.3)	(2.5%)	(1.7)

* (Excluding the impact from NTL reclassification, coverage ratio would have stood at 165.8% and the actual provision ratio when compared to the Bank of Thailand's requirements at 150.2%.)

NPLs and Coverage Ratio



NPL by Segment

Consolidated	Dec. 31, 18	Sep. 30, 18	Jun. 30, 18	Mar. 31, 18	Dec. 31, 17
Corporate	1.1%	1.2%	1.2%	1.3%	1.3%
SME	6.3%	6.5%	6.4%	7.1%	7.4%
Retail	2.0%	2.0%	1.9%	1.8%	1.8%
Hire Purchase	1.8%	1.7%	1.6%	1.5%	1.5%
Mortgage	2.6%	2.7%	2.6%	2.5%	2.4%
Personal Loan, Credit Card, and Other	1.6%	1.6%	1.5%	1.7%	1.7%

As of December 31, 2018, gross NPLs stood at Baht 38,446 million, an increase of Baht 824 million, or 2.2%, from Baht 37,622 million at the end of 2017. Compared to September 2018, gross NPLs decreased by Baht 481 million, or 1.2%. Krungsri conducted the NPL sales of Baht 1,464 million in 4Q/18.

The ratio of gross NPLs as of December 2018 stood at 2.08%, compared to 2.05% in 2017. By segment, asset qualities improved for both corporate and SME loans, while the NPL ratio of hire purchase loans increased slightly.

As of December 31, 2018, loan-loss reserves stood at Baht 61,808 million, with an excess of Baht 19,741 million over the Bank of Thailand's reserve requirements. Correspondingly, the actual provisioning ratio when compared to the Bank of Thailand's requirements stood at 146.9%.

Maintaining as a prudential safeguard, the coverage ratio continued to improve to 160.8% in December 2018, compared to 148.4% at the end of 2017.

(Excluding the impact from NTL reclassification, surplus reserve over the Bank of Thailand's requirement would have been Baht 21,551 million, coverage ratio would have stood at 165.8% and the actual provision ratio when compared to the Bank of Thailand's requirements at 150.2%.)

3.3 Funding Structure

Deposits

Consolidated	Dec. 31, 18	Sep. 30, 18	Dec. 31, 17	Change from Sep. 30, 18		Change from Dec. 31, 17	
				Baht mn	%	Baht mn	%
Current	35,391	34,442	36,798	949	2.8	(1,407)	(3.8)
Savings	591,183	566,841	550,962	24,342	4.3	40,221	7.3
Time	799,774	775,302	731,469	24,472	3.2	68,305	9.3
< 6 Months	360,275	362,396	341,517	(2,121)	(0.6)	18,758	5.5
6 Months and < 1 Year	127,892	203,536	285,292	(75,644)	(37.2)	(157,400)	(55.2)
1 Year and over 1 Year	311,607	209,370	104,660	102,237	48.8	206,947	197.7
Total Deposit	1,426,348	1,376,585	1,319,229	49,763	3.6	107,119	8.1

Borrowing

Consolidated	Dec. 31, 18	Sep. 30, 18	Dec. 31, 17	Change from Sep. 30, 18		Change from Dec. 31, 17	
				Baht mn	%	Baht mn	%
Debenture	108,640	137,590	96,325	(28,950)	(21.0)	12,315	12.8
Subordinated debenture	42,735	42,735	42,808	0	0.0	(73)	(0.2)
Other	4,275	4,758	3,733	(483)	(10.2)	542	14.5
Total Borrowing	155,650	185,083	142,866	(29,433)	(15.9)	12,784	8.9

As of December 31, 2018, deposits totaled Baht 1,426,348 million, an increase of Baht 107,119 million, or 8.1%, from December 2017, attributed to an increase in time deposits of Baht 68,305 million and savings deposits of Baht 40,221 million. With the upward momentum for interest rates projected, Krungsri launched a 15-month time deposit campaign with interest rate of 1.75% in 3Q/18 and a 18-month time deposit campaign with interest rate of 1.85% in 4Q/18.

As a result, the proportion of current and savings deposits (CASA) as a percentage of total deposits decreased to 43.9%, compared to 44.6% in December 2017.

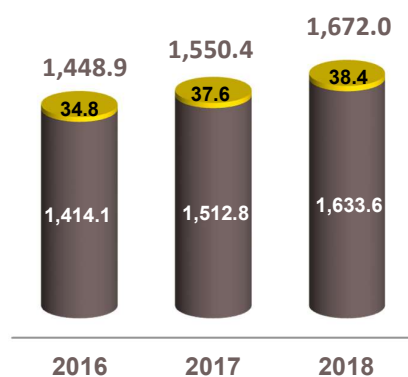
As of December 31, 2018, total borrowing stood at Baht 155,650 million, increasing by Baht 12,784 million, or 8.9% from December 2017, mainly driven by an increase in net issuance of Krungsri Group's debentures of Baht 12,315 million. Details are as follows:

- 1) The Bank issued new long-term debentures in the amount of Baht 15,000 million in 1Q/18 (with a maturity of 3 years carrying an interest rate of 1.91%) and Baht 14,000 million in 3Q/18 (with a maturity of 3 years carrying an interest rate of 2.22%), offset by a redemption of long-term debentures totaling Baht 25,000 million throughout 2018.
- 2) Krungsri Group's subsidiaries issued new debentures in the amount of Baht 32,040 million, offset by matured debentures totaling Baht 11,500 million.
- 3) The above-mentioned net issuances were offset by reclassification of NTL debt issued and borrowings totaling Baht 12,225 million.

Consequently, the loan to deposit ratio improved to 117%, and the loan to deposit plus bills of exchange and debentures ratio improved to 109% compared to December 2017.

Loans

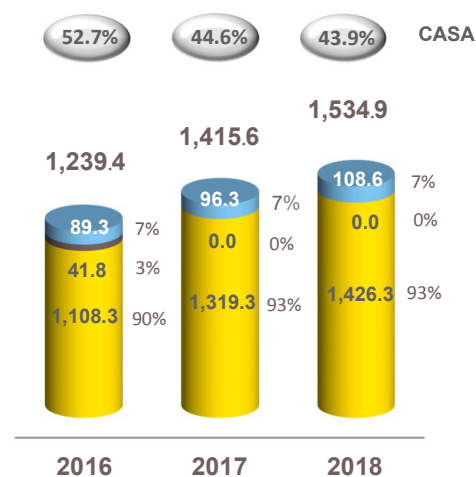
Unit: Baht Billion



■ Non-Performing Loan (NPL)
■ Performing Loan (PL)

Deposits + B/E + Debenture

Unit: Baht Billion



■ Deposit ■ B/E ■ Debenture

	2016	2017	2018
L/D	131%	118%	117%
L/D+B/E+Debentures	117%	110%	109%

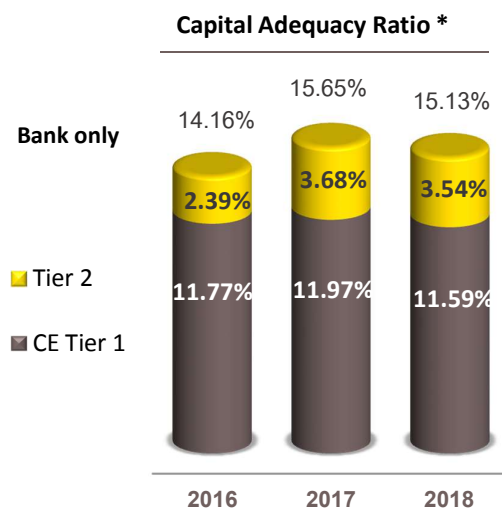
3.4 Contingencies

Consolidated	Dec. 31, 18	Sep. 30, 18	Dec. 31, 17	Change from Sep. 30, 18		Change from Dec. 31, 17	
				Baht mn	%	Baht mn	%
Avals to bills and Guarantees of loans	3,541	3,489	3,005	52	1.5	536	17.8
Liability under unmatured import bills	1,955	1,425	1,437	530	37.2	518	36.0
Letters of credit	5,818	6,307	7,744	(489)	(7.8)	(1,926)	(24.9)
Other contingencies	95,063	90,080	100,010	4,983	5.5	(4,947)	(4.9)
Total	106,377	101,301	112,196	5,076	5.0	(5,819)	(5.2)

Krungsri Group's contingencies as of December 31, 2018 totaled Baht 106,377 million, a decrease of Baht 5,819 million, or 5.2%, from December 31, 2017. The decrease was mainly caused by a decrease in other contingencies of Baht 4,947 million, mainly due to other guarantees and unused credit limits.

3.5 Statutory Capital

As of December 31, 2018, the Bank's capital increased to Baht 228,976 million, equivalent to 15.13% of risk-weighted assets, comprising common equity tier 1 capital of 11.59% and tier 2 capital of 3.54 %.



* The BOT requires the Bank to maintain a minimum CAR at 8.5% and gradually increase the conservation buffer by 0.625% per year from January 1, 2016 until reaching 2.5% by January 1, 2019.

Baht Billion	2016	2017	2018
CE Tier 1	158.83	167.53	175.38
Tier 2	32.26	51.50	53.60
Total Capital	191.09	219.03	228.98

Remark: BOT has adopted supervisory framework for Domestic Systemically Important Banks ("D-SIBs") by requiring qualified banks to maintain higher capital to better absorb losses from their operations. The Bank is identified as D-SIBs and required to maintain additional 1% of common equity tier 1 ratio. This new requirement will be phasing in starting at 0.5% on January 1, 2019 and 1% on January 1, 2020.

4. Credit Ratings

The Bank's credit ratings assigned by Moody's Investors Service, Standard & Poor's, Fitch Ratings, and TRIS Rating as of December 31, 2018 are shown in the table below.

1. <u>Moody's Investors Service</u>	
Bank Deposits	
- Long Term	Baa1
- Short Term	Prime-2
Debt	
- Long Term - Senior Debt	Baa1
Debt and Deposit Rating Outlook	Stable
Baseline Credit Assessment (BCA)	baa3
2. <u>Standard and Poor's</u>	
Issuer Credit Rating (ICR)	
- Long Term	BBB+
- Short Term	A-2
Foreign Currency	
- Long Term - Senior Debt	BBB+
- Short Term	A-2
Stand-alone Credit Profile (SACP)	bb+
Outlook	Stable
3. <u>Fitch Ratings</u>	
International Ratings (Foreign Currency)	
- Long Term	A-
- Subordinated Debt	BBB+
- Short Term	F2
- Viability Rating	bbb
- Support	1
- Outlook	Stable

National Ratings	
- Long Term – Debenture	AAA (tha)
- Subordinated Debt	AA+ (tha)
- Short Term	F1+ (tha)
- Outlook	Stable
4. <u>TRIS Rating</u>	
National Ratings	
- Company Rating	AAA
- Issue Rating (subordinated)	AA+
- Outlook	Stable